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BARRY V. CUNDIFF
TERRY E. CROW
ELIZABETH A. WISNOSKY

November 12, 1987

Schroer
Mr. Harvey G. Hubbs
Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

RE: Application of Rich Hill-Hume Gas Company and Greeley Gas Company for Authority to Sell and Purchase Rich Hill-Hume Gas Company's Franchise, Works or System

Dear Mr. Hubbs:

Enclosed please find an original and fourteen copies of a Joint Application to be filed in the above-referenced cause. An extra copy of the Joint Application is enclosed and I request that it be stamped "filed" and returned to me.

Please bring this filing to the attention of the appropriate Commission personnel. I thank you for your attention to and cooperation in this matter.

Sincerely,

HAWKINS, BRYDON & SWEARENGEN P.C.

BY:

W. R. England, III
W. R. England, III

WRE/rdg
Enclosures
cc: Office of Public Counsel
Mr. Gary Gates
Mr. Jim Flaherty

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PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application)
of Rich Hill-Hume Gas Company, Inc. and)
Greeley Gas Company for authority to)
Sell and Purchase Rich Hill-Hume Gas)
Company's Franchise, Works or System.)

No. GM-88-139

JOINT APPLICATION

Come now Rich Hill-Hume Gas Company, Inc. (Rich Hill) and Greeley Gas Company (Greeley), (also collectively referred to as Applicants), and in support of their Joint Application, pursuant to Section 393.190.1 RSMo 1986, as amended, state as follows:

1. That Rich Hill is a corporation duly organized and existing under the laws of the State of Missouri. Its principle office and place of business is located at 120 S. Market, Suite 610, Wichita, Kansas 67202. Rich Hill is a "gas corporation" and "public utility" as defined in Section 386.020 RSMo 1986, as amended. As such, it is subject to the jurisdiction, supervision and control of the Missouri Public Service Commission (Commission) for the transmission and distribution of natural gas in the State of Missouri. Rich Hill serves approximately 650 customers located primarily in and near the communities of Rich Hill and Hume, Missouri.

2. That Greeley is a Colorado corporation qualified to do business in the State of Missouri as a foreign corporation. Its principle office and place of business is located at 1500 Grant Street, Denver, Colorado 80203. Greeley is presently engaged in

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the transmission and distribution of natural gas to approximately 81,550 customers located in the States of Colorado and Kansas. As such, it is subject to the jurisdiction of the Colorado Public Utility Commission and Kansas Corporation Commission. If the instant transaction is approved by the Commission, Greeley will become a "gas corporation" and a "public utility" as defined by Section 386.020 RSMo 1986, as amended, and thereby become subject to the jurisdiction, supervision and control of this Commission for the transmission and distribution of natural gas in the State of Missouri.

3. That all communications, correspondence and pleadings in regard to this Application should be directed to:

S. H. Ranson, Jr., President
Rich Hill-Hume Gas Company, Inc.
1201 S. Market, Suite 610
Wichita, Kansas 67202

L. E. Schlessman, President
Greeley Gas Company
1500 Grant Street, Suite 400
Denver, Colorado 80203

W. R. England, III
Hawkins, Brydon & Swearingen P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, Missouri 65102

4. That pursuant to a Purchase Agreement dated September 28, 1987, a copy of which is attached hereto and incorporated herein by reference as Exhibit 1, Rich Hill agrees to sell and Greeley agrees to purchase all of the "property and assets" (including the certificate(s) of public convenience and necessity issued by this Commission) used by Rich Hill in providing gas

service in the State of Missouri. The assets that are proposed to be transferred are more particularly described in the Purchase Agreement (Exhibit 1).

5. That a certified copy of the Resolutions authorizing the proposed transaction by the Board of Directors of Rich Hill and Greeley are attached hereto and incorporated herein by reference as Exhibits 2 and 3.

6. That since Greeley will become subject to the jurisdiction of the Commission as a result of the proposed transfer, a balance sheet and income statement with adjustments showing the results of the acquisition of the property are attached hereto and incorporated herein by reference as Exhibit 4.

7. That the proposed transaction is not detrimental to the public interest in that Greeley is an existing gas distribution company and possesses a vast amount of experience in the provision of gas service to the public. Greeley possesses the managerial, engineering and financial expertise necessary to continue to provide the good quality gas service which Rich Hill currently provides to its customers in the State of Missouri. Because of its substantial size, Greeley will also be able to take advantage of certain economies of scale in its operation of Rich Hill's properties which were not heretofore available to Rich Hill. Furthermore, Greeley proposes no immediate change in the operations of Rich Hill as a result of the proposed transaction and intends to retain most, if not all, of Rich

Hill's employees. Finally, Greeley proposes no immediate changes in the rules and regulations by which gas service is currently provided by Rich Hill to its customers and intends to adopt the substance of the tariff rules and regulations now on file with and approved by the Commission.

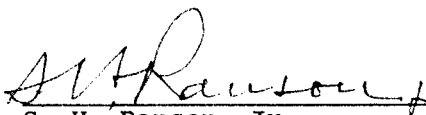
8. That the proposed transaction should have no impact whatsoever on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of Rich Hill is located inasmuch as the location and the character of those structures, facilities or equipment will not change as a result of the proposed transaction.

9. That upon receipt of the proceeds of this sale, Rich Hill intends to distribute the net proceeds to the shareholders and discontinue the rendition of gas service in its service area.

WHEREFORE, Applicants respectfully request this Commission to 1) approve the sale and purchase of Rich Hill's franchise, works or system, including certificate(s) of public convenience and necessity issued by this Commission, pursuant to the Purchase Agreement attached hereto as Exhibit 1; 2) authorize Rich Hill to distribute the proceeds of the sale to its shareholders; 3) authorize Rich Hill to discontinue providing gas service in its service area as of the date of sale and transfer of Rich Hill's franchise, works or system to Greeley; 4) authorize Greeley to commence providing gas service in Rich Hill's service area as of the date of sale and transfer of Rich Hill's franchise, works and system to Greeley; 5) authorize Applicants to do and perform,


cause to be done and performed, such other acts and things, as well as to make, execute and deliver any and all documents as may be necessary, advisable, or proper to the end that the intent and purposes of this transaction may be fully effectuated; and 6) issue such other Orders as are reasonable in the circumstances.

Respectfully submitted,



S. H. Ranson, Jr.
Rich Hill-Hume Gas Company, Inc.
120 S. Market, Suite 620
Wichita, Kansas 67202

L. E. Schlessman
Greeley Gas Company
1500 Grand Street, Suite 400
Denver, Colorado 80203

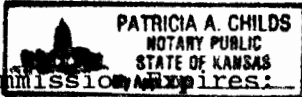


W. R. England, III
HAWKINS, BRYDON & SWEARENGEN P.C.
P. O. Box 456
Jefferson City, Missouri 65102
ATTORNEYS FOR RICH HILL-HUME
GAS COMPANY, INC.

STATE OF KANSAS)
COUNTY OF Edgworth)

On this 29th day of November, 1987, before me personally appeared S. H. Ranson, Jr., to me known to be the President of Rich Hill-Hume Gas Company, Inc., and stated that he has read the foregoing Joint Application and that the facts contained therein are true according to his best knowledge, information and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.



Patricia A. Childs
NOTARY PUBLIC

My Commission Expires:
May 29, 1989

STATE OF COLORADO)
COUNTY OF Denver)

On this 10th day of November, 1987, before me personally appeared L. E. Schlessman, to me known to be the President of Greeley Gas Company, ~~Inc.~~, and stated that he has read the foregoing Joint Application and that the facts contained therein are true according to his best knowledge, information and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

L. E. Schlessman
NOTARY PUBLIC

My Commission Expires:
My Commission expires
~~October 3, 1987~~ 9/2/91
~~1500 Grand St. Suite 400~~
Denver, CO 80202

PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of September, 1987, by and between GREELEY GAS COMPANY, a Colorado corporation ("Greeley" or "Buyer"), and COMMERCIAL PIPELINE CO., MOUND CITY GAS CO., INC., PLEASANTON GAS CO., INC. and RICH HILL-HUME GAS CO., INC. (SELLERS").

WHEREAS, Sellers are the owners of certain properties and facilities for the transmission and distribution of natural gas, located in Bourbon and Linn Counties of Kansas and Bates County of Missouri;

WHEREAS, Sellers desire to sell and Greeley desires to buy those facilities and properties for the transmission and distribution of natural gas upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

The Sale and Description of Property

1.1. The Sale. Sellers hereby agree to sell, assign, transfer and convey unto Buyer or its nominee, free and clear of liens, mortgages and debts, except as otherwise specified in this Agreement, and Buyer agrees to purchase and pay for the following property and assets as a going concern (hereinafter collectively called "the Properties"), as of the Closing Date:

(a) Sellers' gas companies systems for the transmission and distribution of natural gas in Bourbon and Linn Counties of Kansas and Bates County in Missouri, including all pipelines, mains, risers, meters, regulators, valves and fittings in place (such property being hereinafter collectively called "the Systems").

(b) All usable inventory of supplies, tools, and equipment used or useful with respect to the Systems.

(c) All contracts entered into in connection with operation of the Systems, including, without limitation, contracts for retail natural gas service between Sellers for their predecessors and their customers; all Service or Gas Purchase Agreements between Sellers and their natural gas suppliers, including Williams Natural Gas Co. and any wellhead producers; and any Transportation Agreements (hereinafter collectively called "the Contracts").

(d) The real estate described in Exhibit A attached hereto, together with all buildings, structures, fixtures, facilities and improvements located thereon (hereinafter called "the Realty").

(e) All rights-of-way, easements, licenses, franchises, permits, leases, and other rights and interests used or useful in connection with the operation of the Systems, including, without limitation, all rights owned by Sellers for or relating to the construction, maintenance or operation of the Systems through, over, under or upon any private or public streets, alleys, roads or highways (hereinafter collectively called "the Easements"). A list of the Easements shall be provided to Buyer within thirty (30) days following the execution of this Agreement.

(f) All other assets used in the operation of the Properties.

ARTICLE II

Price

2.1. Base Price. For the properties Buyer shall pay Sellers the sum of \$946,161 (the Base Price) which is Net Utility Plant as of December 31, 1986 as contained in the Consolidated Audit Report prepared by Drees Dunn & Company and described in Exhibit B attached hereto. The Base Price shall be adjusted for changes in the accounts from December 31, 1986 forward.

2.2. Materials and Supplies. With respect to the inventory of Materials and Supplies (including Miscellaneous Parts) purchased by Buyer hereunder Buyer agrees to purchase such at book value.

2.3. Rates. The parties acknowledge that Sellers' existing tariff rates for gas service for the Systems includes expense components related to unrecovered purchased gas costs which are being recovered on a unit of sale basis. If, on the Closing Date underrecovered or overrecovered balances exist, Buyer shall adjust purchase price and assume the overage or underage.

2.4. Other Adjustments. The Base Price shall also be adjusted as follows:

(a) All ad valorem taxes applicable to the Properties shall be prorated as of the Closing Date following the accepted procedure for prorating such taxes in the jurisdiction where the property is located based on current year tax assessments.

(b) All meters, including town border station meters, and pipeline and wellhead purchase meters shall be read by the parties during the period from 8 a.m. to 5 p.m., local time, on the Closing Date, or as soon thereafter as is reasonably possible. Sellers shall be responsible for payment of their gas costs for the Properties up to the Closing Date, and Sellers shall be likewise entitled to the revenues from their customer sales to that date, both based on the meter readings so made. Buyer shall be responsible for payment of all gas costs and shall be entitled to all revenues thereafter.

(c) Buyer shall pay all sales and use taxes on the purchase of Utility Plant to the States of Kansas and Missouri and local government authorities arising out of this transaction.

(d) Buyer shall adjust Base Price for all Meter Deposits and accrued interest owed by Seller to Closing Date.

(e) Buyer shall adjust Base Price for all Customer Advances held by Seller at Closing Date.

2.5. Payment. At Closing, Buyer shall pay the Sellers \$946,161 by wire transfer to an account to be designated by Sellers at its initial payment of the Base Price of the sale. After the Closing Date, Sellers shall take into account all of the calculations and adjustments required by the provisions of this Article. If the final Base Price as calculated by Sellers exceeds the sum theretofore paid by Buyer, Buyer shall pay the Seller the difference within 180 days of the Closing Date. If the final Base Price as calculated by the Sellers is smaller than the sum theretofore paid, Sellers shall pay Buyer the difference within 180 days of the Closing Date. Buyer shall have the right at its sole expense to inspect and audit the records of Sellers relating to the determination of the final Base Price. Amounts due from either party to the other under this Section shall bear interest from the Closing Date until the date paid at the rate of interest per annum equal to the average prime rate of the Chase Manhattan Bank, N.A., New York City, as in effect during the above period, utilizing the published daily rates of said Bank.

2.6. Earnest Money Deposit. Buyer has delivered to Sellers herewith an Earnest Money Promissory Note in the amount of \$47,000, which note shall be payable on closing and the amount thereof credited towards payment of the amount provided for in Section 2.5 above. Said note shall be otherwise payable and the amount thereof forfeited to Seller in accordance with the terms of the Earnest Money Agreement, Exhibit C, attached hereto.

ARTICLE III

Closing

3.1. Time and Location. The Closing shall be held at the offices of Utility Consultants Inc., Suite 620, 120 South Market, Wichita, Kansas 67202, on November 17, 1987, or ten days following the date final approval of this transaction is formally granted by the Missouri Public Service Commission, the Kansas Corporation Commission, the Federal Energy Regulatory Commission, Buyer's banks and bondholders, whichever is the later to occur (the "Closing Date").

3.2. Termination. If a closing has not been held by February 17, 1988, then this Agreement shall thereafter be subject to termination by either party upon written notice to the other.

3.3. The Closing. At closing, Buyer shall pay to Sellers the initial price as provided in Paragraph 2.5. Sellers shall deliver to Buyer (in form satisfactory to counsel for the parties) good and sufficient instruments of sale, transfer, assignment and conveyance appropriate to accomplish the change of ownership of the Properties as contemplated herein, with standard warranty clauses as to title and in recordable form except as to easements, licenses, permits, etc. No warranty shall be made regarding the merchantability or status of the title to the real estate upon which the Easements are located.

ARTICLE IV

Obligations Pending Closing

4.1 Governmental Consents. The parties acknowledge the need of certain consents, approvals, and the expiration of certain waiting periods by agencies of government and agree that the receipt of such approval, in form satisfactory to both parties and expiration of said waiting period is a condition precedent to the closing of this transaction. The parties shall immediately initiate cooperative efforts to obtain all permissions, consents, approvals, authorizations and commencement of waiting periods that may be required by or from the Kansas and Missouri Public Utility Commissions and, if any order is necessary from proceedings that must be initiated by either party, by or from the Federal Energy Regulatory Commission, or any other governmental agency, authority or body, whether state, federal, or municipal, to complete this transaction. Parties shall also cooperate promptly in obtaining any necessary consent from municipalities to assign the Franchise from Sellers to Buyer.

4.2. Documentation. Sellers have delivered or within thirty (30) days will deliver to Buyer the following:

(a) The names, current wage and salary rates and job titles of each employee presently employed in or dedicated to the Properties with a summary of the compensation and benefits accrued or regularly paid to each of them.

(b) A summary of the records, including accounting, business, inventory, personnel, customer, engineering and other books used or useful in the operation of the Properties.

(c) A detailed copy of customer billing records, meter deposits and customer advances.

(d) Copies of all Service Gas Purchase Agreements described in paragraph 1.1(c).

(e) Detailed listing of Utility Plant included in sale.

4.3. Information. Buyer shall have access and right to copy the files, records, books, ledgers, accounts, property and premises of the Sellers pertaining to the Properties for the limited purposes of examining them and determining such facts and information as it may reasonably need or require in connection with the contemplated purchase.

4.4. Insurance. Sellers agree that until the Closing Date they shall continue all insurance coverage now carried by them respecting the Properties. If any part of the Properties are damaged before the Closing Date, the Sellers may elect to reduce the price by the amount of the damage or diminution of the net book value of the property damaged or destroyed, or Sellers may transfer the proceeds of any applicable insurance to the Buyer, including the amount of any deductible.

4.5. Publicity. Neither party shall make any public announcement of the transaction contemplated hereby without consultation with the other party.

4.6. Conduct of Business. Until the Closing Date, Sellers will:

(a) Conduct their business only in the ordinary course and shall not dispose of any significant portion of the Properties.

(b) Maintain all inventories subject to this Agreement at normal operating levels.

(c) Maintain the Properties free of mortgage, pledge, lease or other encumbrance.

(d) Maintain the compensation and benefits payable to any employees engaged in operating the Systems at a rate consistent with its standard practices respecting compensation and benefits.

(e) Maintain its books, accounts and records pertaining to the Properties in accordance with generally accepted accounting practices.

(f) Use its best efforts to preserve the business organization and services of the present employees engaged in operation of the Systems, subject to the provisions of Article V of this Agreement.

(g) Maintain and operate the Properties in good operating condition with allowance for normal and reasonable deterioration due to customary use.

(h) Give prior notice to Buyer of any proposed commitment or transaction affecting the Properties outside the ordinary course of business in an amount exceeding \$5,000.

ARTICLE V

Employees

5.1. Employees Affected. This Article concerns Operating Company employees of Sellers' Properties. A roster of the affected employees has been furnished to Buyer.

5.2. Termination by Sellers. The Operating Company shall terminate its employment relationship with the affected employees as of the Closing Date. Such employees shall have the benefit of the termination policies of Operating Company in force on the Closing Date.

5.3. Employment by Buyer. Buyer shall offer employment as of the Closing Date to each of Operating Companies employees working or able to work on that date.

5.4. Salary and Benefits. Buyer shall make its offers of employment to the affected employees upon the following terms and conditions, or on terms and conditions that are in the aggregate more favorable than the following:

(a) Buyer will offer the employees the same salary that they were earning at the time of closing plus compensate employees for the contributory portion of enrollment in Buyer's retirement plan.

(b) Pre-employment physical examination shall be waived.

(c) Seniority and tenure with the Operating Company shall be honored and applied to Buyer's benefit schedule for vacations and sick leave beginning in 1988.

(d) Medical insurance and disability coverage and life insurance under the same plans currently offered to employees of Buyer will be offered to the affected employees, and upon acceptance by employees coverage will begin on the first day of employment with Buyer; coverage shall be offered for pre-existing conditions.

(e) Enrollment of employees in Buyer's retirement plan will become effective on the date of purchase.

(f) Retirement benefits under Buyer's retirement plan will be based upon years of service with Buyer except that the terms of continuous service to Operating Company calculated immediately prior to the Closing Date shall be credited by Buyer for vesting purposes.

(g) Tenure and seniority with Operating Company will be fully recognized for purposes of Buyer's service awards program.

5.5. Conditions of Employment. The parties agree that as between Buyer and Sellers the offers of employment above set forth do not constitute an offer of, or employment for, a fixed term, but only for employment at the will of the employer. Either party or any employee or prospective employee may unilaterally at any time terminate the employment or the prospective employment relationship, except that Buyer shall honor the spirit of this Article. Neither party hereby assumes any obligations or liability of any nature or kind with respect to the employment benefit plans of the other for any such employees. Buyer shall have the right to amend, change or alter the conditions of employment of any such employee at any time after the Closing Date.

ARTICLE VI

Representations and Warranties

6.1. Mutual Representations and Warranties. Buyer and Sellers represent and warrant to each other as follows:

(a) It is a corporation duly organized and validly existing, and in good standing under the laws of the State of its incorporation. It has the corporate power to carry on its business as it is now being conducted and is or will be on the Closing Date qualified to do business and in good standing in the state where the assets to be purchased and sold under this Agreement are located.

(b) The execution, delivery and performance of this Agreement have been duly authorized by all requisite action of its Board of Directors if necessary, and it shall deliver to the other party a true, correct and certified corporate resolution of said Board of Directors granting the authority to execute this Agreement.

(c) No representation or warranty made by it nor any statement or certificate furnished or to be furnished to the other party in connection with this transaction contains or will contain any untrue statement of material fact or omit to recite a material fact necessary to make the statements contained therein not misleading.

6.2. Representations and Warranties of Sellers. The Sellers represent and warrant to the Buyer as follows:

(a) There is no litigation, proceeding or governmental action pending or threatened against or relating to, nor is there any order, decree or judgment of any court of competent jurisdiction or of any governmental agency that would have a material effect on, the Properties, except as set out in Exhibit E, which is incorporated herein by this reference as though fully set forth.

(b) To Sellers' knowledge, there is no imminent or threatened change in the conduct or the scope of its business which would have an adverse effect on the Properties to be sold hereunder.

(c) Sellers are not a party to or bound by any written or oral contract with any labor union or organization in that part of its business touching the Systems. Sellers have not recognized nor are they bound to recognize nor bargain with any labor organization in the operation of the Systems. Sellers agree to timely advise and consult with Buyer on all relevant matters dealing with labor organizations that may arise before the Closing Date.

(d) To the best of Sellers' knowledge, the Systems are being conducted and as of the Closing Date will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction over the Systems with regard to rates and conditions of service, and with local building and zoning codes.

(e) The Sellers' books of account pertaining to the Properties and business to be sold are and have been maintained in accordance with accepted accounting principles and the accounting system prescribed for gas utilities by appropriate governmental authority. Except to the extent reflected or reserved in such books of account, Sellers have no liability or obligation of any nature accrued, contingent or otherwise, including, without limitation, tax liabilities due or to become due arising out of the utility operations with which this Agreement is concerned.

(f) All taxes, assessments and other governmental charges upon the Properties imposed, levied or assessed by any agency or subdivision of government which are due and payable have been paid. All federal taxes, assessments or other charges upon the Properties which have become due and payable by the Closing Date will be paid so as not to create a lien on the

Properties.

(g) All reports, notifications, financial statements, rate schedules and other documents or instruments required to be filed by Sellers in connection with the Properties under any federal, state or municipal statute, ordinance or law, or under the rules or regulations of any administrative or governmental agency, have been or will be duly filed before the Closing Date, and any fees or other charges required to be paid in connection therewith which are due and payable have been paid.

(h) To the best of Sellers' knowledge, the Franchise constitutes a valid grant and is in good standing and constitutes all requisite authority to operate the distribution systems in the respective municipalities served by Sellers. All payments heretofore required to be made by Sellers thereunder have been made or provided for herein, and Sellers have heretofore performed all conditions and requirements in order to maintain the Franchise in full force and effect. Sellers have not received notice of any cancellation, forfeiture or termination of the Franchise and do not know, or have reasonable grounds to know, of any basis for the cancellation, forfeiture or termination of the Franchise. Sellers hold all necessary approvals and franchise to operate the Systems from the appropriate federal, state and local regulatory agencies and authorities.

(i) Sellers make no warranty (whether written or oral, express or implied) with regard to the merchantability, fitness for a particular purpose, or of condition of the Properties. Sellers do warrant that the Properties to be sold to Buyer hereunder are the means utilized by Sellers to own, operate and maintain the Systems in the same manner in which they are presently being operated by Sellers.

(j) Sellers have no obligations or liabilities to its natural gas suppliers with respect to take-or-pay or deficiency charges, minimum payments or similar charges.

ARTICLE VII

Conditions

7.1. Conditions Precedent to the Obligations of Sellers. The obligation of Sellers to consummate the transaction contemplated by this Agreement is subject to the satisfaction on or before the Closing Date of each of the following conditions precedent:

(a) There shall be no material errors, misstatements or omissions of fact in the representations and warranties made by Buyer herein.

(b) The representations and warranties of Buyer herein, or in any certificate or document delivered pursuant to the provisions hereof, shall be deemed to have been made again at and as of the Closing Date and shall then be true and correct in all respects.

(c) All terms, agreements and conditions required by this Agreement to be performed and complied with by Buyer prior to or at the Closing shall have been duly complied with or performed by Buyer.

(d) At the Closing Date, no material suit, action, investigation or other proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby; provided, however, that Closing may be postponed at the request of Sellers or Buyer for a period not to exceed ninety (90) days to secure the dismissal of any such action, suit, investigation or other proceeding.

(e) All requisite consents and approvals for consummation of the transactions contemplated by this Agreement, including the assignments, transfers and conveyances of the Properties as specified herein, shall have been obtained from third parties or appropriate governmental bodies with jurisdiction.

7.2. Conditions Precedent to the Obligations of Buyer. The obligations of Buyer to consummate this Agreement are subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent:

(a) There shall be no material errors, misstatements or omissions of fact in the representations and warranties made by Sellers herein.

(b) The representations and warranties of Sellers herein, or in any certificate or document delivered pursuant to the provisions hereof, shall be deemed to have been made again at and as of the Closing Date and shall then be true and correct in all respects.

(c) All terms, agreements and conditions required by this Agreement to be performed and complied with by Sellers at or before the Closing Date shall have been duly complied with or performed by Sellers.

(d) All requisite consents and approvals for consummation of the transactions contemplated by this Agreement, including the assignments, transfers and conveyances of the Properties as specified herein, shall have been obtained from third parties or appropriate governmental bodies with jurisdiction.

7.3. Waiver. Each party, by action of its Board of Directors or an officer authorized by its Board of Directors, or otherwise authorized, may, at its option, waive in writing any one or more of the conditions herein contained to which its obligations hereunder are subject, but a waiver of one condition shall not be deemed a waiver of any other condition.

ARTICLE VIII

Obligations After Closing

8.1. Reasonable Access. After the Closing Date, each party shall have reasonable access during normal business hours to all files, books, records and documents of the other party relating to the Properties purchased hereunder for the limited purposes of completing the transaction. This right of access shall not create a duty on either party to retain said files, books, records and documents for any period of time beyond the Closing Date, except for materials necessary to complete the transaction and except that neither party shall destroy any of said materials which may be needed or useful to the other party in complying with any governmental regulations or filing tax returns without thirty (30) days' prior written notice to the other party.

8.2. Permits, Licenses, Etc. The parties acknowledge that the transfer of the interests described in Paragraph 1.1(e), such as licenses and permits (except for leases and true easements) may not be possible before the Closing Date because of the number and variety of the interests and the requirements imposed by third-party grantors of them. Therefore, notwithstanding any other provision of this Agreement to the contrary, the parties agree that within sixty (60) days of the execution of this Agreement, Sellers shall furnish to Buyer a list of such instruments (excepting leases and true easements) or copies of the same, the Sellers shall cooperate in every respect before and after the Closing in the transfer of such interests, but the obligation to pursue such transfer shall rest principally upon the Buyer, the failure or inability to accomplish such transfer fully before the Closing Date shall not impair the obligation to close.

ARTICLE IX

Indemnity and Assumption of Obligations

9.1. By Sellers. Sellers shall indemnify and hold Buyer harmless against and in respect of any and all liability, loss, damage, costs, fees, or deficiency resulting from any misrepresentation, breach of warranty or nonfulfillment of any agreement on the part of Sellers under this Agreement or from any misrepresentation in or occasioned by any certificate or other instrument furnished or to be furnished by Sellers hereunder, and from any loss, cause of action, suit, proceeding, judgment, cost and expense arising from any incident, act, transaction or omission occurring with respect to the property to be transferred to Buyer hereunder prior to the time of Closing.

9.2. By Buyer. Buyer shall indemnify and hold Sellers harmless against and in respect of any and all liability, loss, damage, costs, fees or deficiency resulting from any misrepresentation, breach of warranty or nonfulfillment of any agreement on the part of Buyer under this Agreement or from any misrepresentation in or occasioned by any certificate or other instrument furnished or to be furnished by Buyer hereunder, and from any loss, cause of action, suit, proceeding, judgment, cost and expense arising from any incident, act, transmission or omission occurring with respect to the property to be received from Sellers hereunder subsequent to the time of Closing.

9.3. Assumption of Obligations. On the Closing Date, Buyer shall accept and assume ownership and title to all Properties conveyed hereunder (including the Systems, Contracts for natural gas service between Sellers or their predecessors and their customers, and any Contracts or Agreements between Sellers and their natural gas suppliers); and Buyer shall be responsible for and shall assume liability for all obligations (including without limitation all contractual obligations, if any, under gas purchase contracts with suppliers or producers) arising after the Closing with respect to the Properties conveyed hereunder.

ARTICLE X

Miscellaneous

10.1. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the States of Colorado, Kansas and Missouri.

10.2. Cooperation. The parties shall use their best reasonable efforts to perform their respective obligations hereunder and promptly to do all things that may be reasonably required to consummate the transaction.

10.3. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, postage prepaid, with return receipt requested, addressed as follows:

If to Greeley, to:

L. E. Schlessman, President
Greeley Gas Company
1500 Grant Street, Suite 400
Denver, Colorado 80203

If to Sellers, to:

S. H. Ranson, Jr., President
Commercial Pipeline Co., Inc. and Associated Companies
120 S. Market, Suite 610
Wichita, KS 67202

Either party may change its address for notice by written notice given to the other party. Each party shall promptly give written notice to the other upon becoming aware of the occurrence, or impending or threatened occurrence, of any event which would cause or constitute a breach of any of its representations or warranties contained or referred to herein and will use its reasonable efforts to prevent or promptly remedy the same.

10.4. Brokers. The parties covenant to each other that no broker, finder, financial advisor or similar person has been retained by any of them; and in any case where such a broker, finder or financial advisor has been retained by a party, such party agrees to defend, indemnify and hold harmless the other party from and against all brokers', finders' or financial advisors' fees or claims asserted through such party in connection with or on account of this Agreement or any

transaction herein contemplated.

10.5. Parties. This Agreement shall inure to the benefit of and be binding upon the parties named herein and their respective successors and assigns. Nothing herein, express or implied, is intended to confer any right or remedy upon any other person.

10.6. Assignment. The parties shall not assign this Agreement or any interest hereunder without the prior written approval of the other parties.

10.7. Modification. No modification, amendment or addition to this Agreement shall be effective unless reduced to writing and executed with the same formality as this Agreement.

10.8. Partnership. Nothing in this Agreement is intended to or shall be deemed to create a partnership or joint venture between the parties.

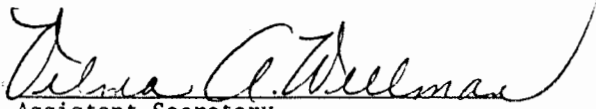
10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute only one agreement.

10.10. Entire Agreement. This contract contains the entire agreement between the parties and there are no misrepresentations, undertakings or agreements, oral or written, between the parties which are not included herein.

10.11. Survival. The obligations and covenants of the parties herein which, by their terms, are not to be completed on or before Closing, shall survive this Closing and inure to the benefit of and be binding upon the parties until performed.

IN WITNESS WHEREOF, the undersigned parties have duly executed this Agreement as of the date first above written.

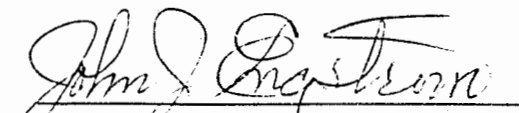
ATTEST:


Alma A. Wellman
Assistant Secretary


GREBLEY GAS COMPANY

By: 
L. E. Schlessman, President

ATTEST:


John J. Engstrom, Vice President

COMMERCIAL PIPELINE COMPANY

By: 
S. H. Ranson, Jr., President

ATTEST:

John J. Engstrom
John J. Engstrom, Vice President

ATTEST:

John J. Engstrom
John J. Engstrom Vice President

ATTEST:

John J. Engstrom
John J. Engstrom, Vice President

MOUND CITY GAS COMPANY, INC.

By: S. H. Ranson, Jr.
S. H. Ranson, Jr., President

PLEASANTON GAS COMPANY, INC.

By: S. H. Ranson, Jr.
S. H. Ranson, Jr., President

RICH HILL-HUME GAS COMPANY, INC.

By: S. H. Ranson, Jr.
S. H. Ranson, Jr., President

EXHIBIT B

Commercial Pipeline Company, Mound City Gas Company, Inc.,
Pleasanton Gas Company, Inc. and Rich Hill-Hume Gas Company, Inc.
Purchase Agreement

NET UTILITY PLANT SCHEDULE

Net Utility Plant as of December 31, 1986 per accounting report of Drees
Dunn & Company.

Commercial Pipeline Company	\$532,123
Mound City Gas Company, Inc.	95,053
Pleasanton Gas Company, Inc.	155,923
Rich Hill-Hume Gas Company, Inc.	<u>161,062</u>
Total Net Utility Plant	\$946,161

EXHIBIT C

Commercial Pipeline Company, Mound City Gas Company, Inc.,
Pleasanton Gas Company, Inc. and Rich Hill-Hume Gas Company, Inc.
Property Sale

EARNEST MONEY AGREEMENT

In consideration of Seller's execution of the Purchase Agreement, Buyer hereby delivers to Seller its promissory note in the principal sum of \$47,000 ("Earnest Money") to apply on the Base Price for the Properties upon terms and conditions as stated in the Purchase Agreement, it being hereby agreed and understood that in the event Buyer refuses to close the transaction contemplated by the Purchase Agreement in the manner contemplated by the Purchase Agreement for reasons other than those set forth in Section 7.2 thereof, Seller may, at its option, retain the said Earnest Money hereby paid, as liquidated damages for such failure.

The terms defined in the Purchase Agreement of even date herewith between Seller and Buyer, initialed by Seller's and Buyer's appropriate respective representatives, and otherwise not defined herein are being used as defined terms.


Seller by its execution hereof acknowledges receipt of said promissory note.

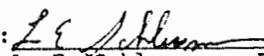
This Agreement shall be interpreted in accordance with the laws of the State of Colorado.

DATED this 28 day of September, 1987.

ATTEST:

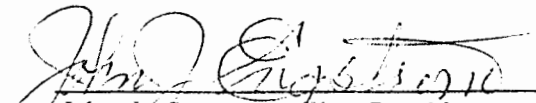
GREBLEY GAS COMPANY


Assistant Secretary

By: 
L. E. Schlessman, President


ATTEST:

COMMERCIAL PIPELINE COMPANY



John J. Engstrom, Vice President

By: 
S. H. Ranson, Jr., President

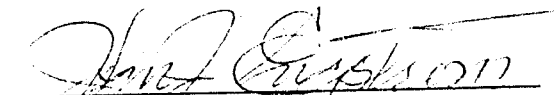
ATTEST:


John J. Engstrom, Vice President

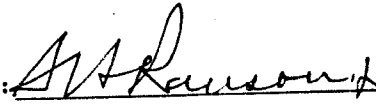
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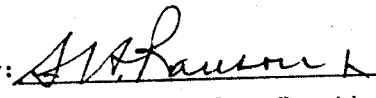

John J. Engstrom, Vice President

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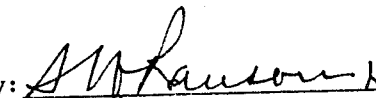

John J. Engstrom, Vice President

MOUND CITY GAS COMPANY, INC.

By: 
S. H. Ranson, Jr., President
PLEASANTON GAS COMPANY, INC.

By: 
S. H. Ranson, Jr., President

RICH HILL-HUME GAS COMPANY, INC.

By: 
S. H. Ranson, Jr., President

EARNEST MONEY PROMISSORY NOTE

U.S. \$47,000.00


September 27, 1987
Denver, Colorado

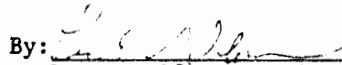
FOR VALUE RECEIVED, GREELEY GAS COMPANY, a Colorado corporation (Maker), promises to pay, to the order of Commercial Pipeline Company, Mound City Gas Company, Inc. Pleasanton Gas Company, Inc. and Rich Hill-Hume Gas Company, Inc., the sum of Forty Seven Thousand Dollars (\$47,000.00) collectively. Said sum shall be due and payable in accordance with the terms and conditions of that certain Earnest Money Agreement of even date herewith entered into between Maker and Payees, which is Exhibit C to that certain Purchase Agreement wherein Maker has agreed to purchase from the Payee certain properties known as the "Commercial Pipeline Company, Mound City Gas Company, Inc., Pleasanton Gas Company, Inc. and Rich Hill-Hume Gas Company, Inc. Properties," as more particularly described therein.

Presentment, notice of dishonor and protest are hereby waived. If this note is not paid when due, Maker agrees to pay all reasonable costs of collection, including attorney fees.

ATTEST:

GREELEY GAS COMPANY


Assistant Secretary

By: 
L. E. Schlessman, President

MINUTES OF SPECIAL MEETING
OF BOARD OF DIRECTORS
OF RICH HILL-HUME GAS CO., INC.

A special meeting of the Board of Directors of Rich Hill-Hume Gas Co., Inc., was held at the office of the Corporation at 120 South Market Street, Wichita, Kansas, on September 28, 1987, at 9:30 o'clock A.M., pursuant to the call of the President. All Directors were present.

Mr. Ranson, the President, presided, and Mr. Holmes, the Secretary, recorded.

The President presented copies of the Corporation's financial statement as of December 31, 1986, which was reviewed and discussed. The President also reviewed the status of negotiations which had been carried on during the past year for the sale of the Corporation's gas distribution system, and presented an offer to purchase made by the Greeley Gas Company. Following a discussion of the foregoing and upon the motion of Mr. Sellers, seconded by Mr. Engstrom, the following resolution was unanimously adopted:

BE IT RESOLVED, That in the judgment of the Board of Directors of this Corporation, it is deemed advisable and in the interest of the stockholders and for the benefit of the Corporation that this Corporation should be liquidated and dissolved, and a plan of liquidation is hereby formulated to effect such liquidation and dissolution as follows:

- (1) That the proper officers of the Corporation be authorized and directed to sell or otherwise liquidate any and all properties of the Corporation which in their judgment should be sold or liquidated to facilitate the liquidation of the Corporation;
- (2) That after providing for all proper debts of the Corporation, the remaining assets of the Corporation be distributed to the stockholders of the Corporation in complete redemption of all the Corporation's

issued and outstanding stock of all classes;

- (3) That the actions provided for in (1) and (2) above be commenced as soon as practicable, and that such assets be distributed and the dissolution of the Corporation be completed as soon as practicable, but, in no event, not later than the termination of a 12-month period commencing with the date of formal stockholder approval of this plan of complete liquidation.

BE IT FURTHER RESOLVED, That the President of this Corporation be directed to notify the stockholders of this Corporation of the adoption of this resolution and of the foregoing plan of liquidation and dissolution at a special meeting of said stockholders called for the purpose of considering and adopting the foregoing plan of liquidation and dissolution, and to take such further steps as may be required to effect the complete liquidation and dissolution of this Corporation in accordance with the provisions of K.S.A. 17-6804 and Section 337 of the Internal Revenue Code; and

BE IT FURTHER RESOLVED, That the proper officers of the Corporation be and they are hereby authorized and directed to do or cause to be done such acts as they may deem necessary or proper to carry out the liquidation and dissolution of this Corporation under the terms and conditions of the foregoing plan.

The President then requested comments on the offer of the Greeley Gas Company to purchase the Corporation's properties and facilities. Following a review and discussion of the proposed offer and upon the motion of Mr. Sellers, seconded by Mr. Engstrom, the following resolution was unanimously adopted:

BE IT RESOLVED, That this Board of Directors deems it expedient and for the best interests of the Corporation to sell the properties and facilities of the Corporation to the Greeley Gas Company on the terms and conditions set forth in the proposed Purchase Agreement, a copy of which is before this

meeting and incorporate by reference in the minutes of this meeting, all subject to the approval of a majority of the outstanding stock of the Corporation;

BE IT FURTHER RESOLVED, That the President is directed to notify the stockholders of this Corporation of the adoption of this resolution.

There was no further business, and the meeting, on motion duly made, seconded and carried, was adjourned.

Wendell Baker
Secretary

APPROVED:

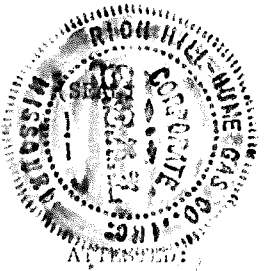
(SHR) *A. Hanson*

(MFS) *W. J. Am*

(WSH) *Wendell Baker*

(JJE) *John J. Egstrom*

(DC) *Donth Coomes*



Victoria Childs
Assistant Secretary


SECRETARY'S CERTIFICATE

I, Velma A. Wellman, Assistant Secretary of Greeley Gas Company, do hereby certify that the following resolutions were adopted at the Special Board of Directors Meeting of Greeley Gas Company held September 28, 1987.

RESOLVED, that the Purchase Agreement between Greeley Gas Company, a Colorado corporation, and Commercial Pipeline Co., Mound City Gas Co., Inc., Pleasanton Gas Co., Inc. and Rich Hill-Hume Gas Co., Inc. should be made a permanent part of the minutes of September 28, 1987.

FURTHER RESOLVED, that the actions of the officers of the Corporation in entering into that certain Purchase Agreement with Commercial Pipeline Co., Mound City Gas Co., Inc., Pleasanton Gas Co., Inc. and Rich Hill-Hume Gas Co., Inc. dated the 28th day of September, 1987, wherein Greeley Gas Company agreed to purchase Commercial Pipeline Co., Mound City Gas Co., Inc., Pleasanton Gas Co., Inc. and Rich Hill-Hume Gas Co., Inc., more particularly described in said Purchase Agreement, for the price and upon the terms and conditions set forth therein are hereby approved, ratified and confirmed.

FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to take all steps, execute all documents and do any and all other matters as necessary or proper in order to close and complete the transaction described in the foregoing described Purchase Agreement; and to pay to the Seller therein the purchase price as described in said Purchase Agreement.


Asst. Secretary

Dated: October 21, 1987

(S E A L)

GREELEY GAS COMPANY
Pro-Forma Balance Sheet
December 31, 1986

<u>Assets and Other Debits</u>	<u>Greeley Gas Company</u>	<u>Rich-Hill Hume Gas Co.</u>	<u>Other Gas Companies (Kansas)</u>	<u>Pro-Forma Greeley Gas Co.</u>
Utility Plant in Service:	\$61,632,111	\$230,218	\$1,220,036	\$63,082,365
Less Accum. Prov. for Deprec.	26,219,123	69,156	434,937	26,723,216
Net Utility Plant	<u>35,412,988</u>	<u>161,062</u>	<u>785,099</u>	<u>36,359,149</u>
<u>Current and Accrued Assets</u>				
Cash & Special Deposits	1,159,599	1,534		1,161,133
Temporary Cash Invest.	4,934,326	(1) (148,247)	(1) (722,406)	4,063,673
Accounts Receivable less Prov. for Uncoll. Accts.	7,051,514			7,051,514
Material & Operating Supplies	984,428		8,606	993,034
Merchandise	384,251			384,251
Prepayments	3,159,345	3,453		3,162,798
Interest Receivable	14,592			14,592
	<u>17,688,055</u>	<u>(143,260)</u>	<u>(713,800)</u>	<u>16,830,995</u>
<u>Deferred Debits:</u>				
Unamort. Debt Expense	55,283			55,283
Miscellaneous Def. Debits	85,594			85,594
Unrecovered Purch. Gas Costs	212,228		(24,986)	187,242
	<u>353,105</u>		<u>(24,986)</u>	<u>328,119</u>
	<u>\$53,454,148</u>	<u>\$ 17,802</u>	<u>\$ 46,313</u>	<u>\$53,518,263</u>

(1) Cash purchase of Properties

GREELEY GAS COMPANY
Pro-Forma Balance Sheet
December 31, 1986

<u>Liabilities & Stockholders Equity</u>	<u>Greeley Gas Company</u>	<u>Rich-Hill Hume Gas Co.</u>	<u>Other Gas Companies (Kansas)</u>	<u>Pro-Forma Greeley Gas Co.</u>
Stockholders Equity:				
Common Stock	\$ 1,144,821	\$	\$	\$ 1,144,821
Retained Earnings	<u>13,668,237</u>	<u> </u>	<u> </u>	<u>13,668,237</u>
	<u>14,813,058</u>	<u> </u>	<u> </u>	<u>14,813,058</u>
Long-Term Debt:				
Bonds	<u>18,150,000</u>	<u> </u>	<u> </u>	<u>18,150,000</u>
Current & Accrued Liabilities:				
Accounts Payable	9,865,970			9,865,970
Customer Deposits	2,893,338	17,802	46,313	2,957,453
Accrued Taxes-Other	291,747			291,747
Accrued Interest	827,189			827,189
Miscellaneous Liab.	<u>347,982</u>			<u>347,982</u>
	<u>14,226,226</u>	<u>17,802</u>	<u>46,313</u>	<u>14,290,341</u>
Other Deferred Credits:				
Customer Advances	616,188			616,188
Deferred Invest. Tax Credits	1,519,734			1,519,734
Deferred Income Taxes	3,878,000			3,878,000
Other Deferred Credits	<u>250,942</u>	<u> </u>	<u> </u>	<u>250,942</u>
	<u>6,264,864</u>	<u> </u>	<u> </u>	<u>6,264,864</u>
	<u>\$53,454,148</u>	<u>\$17,802</u>	<u>\$46,313</u>	<u>\$53,518,263</u>

GREELEY GAS COMPANY
Pro-Forma State of Income
For the Year Ending December 31, 1986

	<u>Greeley Gas Company</u>	<u>Rich-Hill Hume Gas Co.</u>	<u>Other Gas Companies (Kansas)</u>	<u>Pro-Forma Greeley Gas Co.</u>
Operating Revenues	<u>\$65,546,037</u>	<u>\$311,236</u>	<u>\$805,852</u>	<u>\$66,663,125</u>
Operating Expenses:				
Operation	58,056,147	305,510	718,774	59,080,431
Depreciation & Amort.	2,162,375	6,326	34,046	2,202,747
Taxes-Other	1,184,406	4,548	21,251	1,210,205
Income Taxes	545,667	3,743	1,664	551,074
Total Operating Expenses	<u>61,948,595</u>	<u>320,127</u>	<u>775,735</u>	<u>63,044,457</u>
Total Operating Income	<u>3,597,442</u>	<u>(8,891)</u>	<u>30,117</u>	<u>3,618,668</u>
Other Income:				
Merchandising	364,577			364,577
Other Income	437,662			437,662
Interest & Dividend	47,887	457	15,910	64,254
Less Income Taxes	(443,962)			(443,962)
Total Other Income	<u>406,164</u>	<u>457</u>	<u>15,910</u>	<u>422,531</u>
Interest Charges:				
Long-Term Debt	2,313,437			2,313,437
Amort. of Debt Expense	14,280	238	1,154	15,672
Other Interest Charges	405,700	11,024	28,009	444,733
Total Interest Charges	<u>2,733,417</u>	<u>11,262</u>	<u>29,163</u>	<u>2,773,842</u>
Extraordinary Items (Net)	<u>(4,878)</u>	<u>23,484</u>		<u>18,606</u>
Net Income	<u>\$ 1,265,311</u>	<u>\$ 3,788</u>	<u>\$ 16,864</u>	<u>\$ 1,285,963</u>